



WHERE THE ROGUE RIVER RUNS

CITY OF GRANTS PASS

COUNCIL AGENDA

August 3, 2015

11:45 a.m. City Council Special Meeting
Council Chambers - 101 N.W. "A" Street

MAYOR: Darin Fowler

CITY COUNCIL MEMBERS:

<i>Ward 1</i>	<i>Ward 2</i>	<i>Ward 3</i>	<i>Ward 4</i>
<i>Northwest Area</i>	<i>Northeast Area</i>	<i>Southeast Area</i>	<i>Southwest Area</i>
Dan DeYoung	Lily Morgan	Ken Hannum	Mark Gatlin
Roy Lindsay	Rick Riker	Dennis Roler	Jim Goodwin

1. COUNCIL ACTION

- a. Resolution calling for a measure to be placed on the November 3, 2015 ballot for a sales tax to provide resources to Public Safety and Criminal Justice Programs serving the City, while eliminating the Public Safety Local Option Property Tax Levy and the Jail Services Utility Fee. **Pgs. 1-8**
- b. Resolution authorizing submission of the explanatory statement for the Public Safety and Criminal Justice Sales Tax Ballot Measure (November 3, 2015 Election). **Pgs. 9-15**

Resolution calling for a measure to be placed on the November 3, 2015 ballot for a sales tax to provide resources to Public Safety and Criminal Justice Programs serving the City, while eliminating the Public Safety Local Option Property Tax Levy and the Jail Services Utility Fee.

Date: August 3, 2015

SUBJECT AND SUMMARY:

The City voters should decide whether a sales tax should be adopted for the City to fund City Public Safety, Jail Services, Juvenile Justice Services, and Criminal Prosecution Services. This resolution calls for the measure to be placed on the ballot for the November 3, 2015 election.

RELATIONSHIP TO COUNCIL GOALS:

This supports Council's goal of **LEADERSHIP** by providing current resources to Public Safety and Criminal Justice services that serve the City and its visitors. It also supports **KEEP CITIZENS SAFE** by providing the resources to address the Council's goal of a safe community.

CALL TO ACTION SCHEDULE:

- August 3, 2015: Special Meeting for the City Council to approve the ballot title and explanatory statement
- Measure turned over to the County Clerk by August 14
- November 3, 2015 Ballot Measure

BACKGROUND:

Following a series of public meetings by the Criminal Justice Sales Tax Taskforce and the City Council, a ballot title has been prepared according to the input of the Council and Taskforce for the November 3, 2015 election. If approved by voters, this sales tax measure would eliminate the Local Option Property Tax Levy of \$1.79 per \$1,000 assessed value, eliminate the Jail Services Utility Fee, and implement a 2.00% (or 1.75%) sales tax beginning July 1, 2016. Revenues from the sales tax are restricted for use in City Public Safety services, Juvenile Justice services, Criminal Prosecution services, and Jail services. Once approved by voters, the sales tax rate cannot be increased without another vote of the City electorate.

ITEM: 1.a. RESOLUTION CALLING FOR A MEASURE TO BE PLACED ON THE NOVEMBER 3, 2015 BALLOT FOR A SALES TAX TO PROVIDE RESOURCES TO PUBLIC SAFETY AND CRIMINAL JUSTICE PROGRAMS SERVING THE CITY, WHILE ELIMINATING THE PUBLIC SAFETY LOCAL OPTION PROPERTY TAX LEVY AND THE JAIL SERVICES UTILITY FEE.

Staff Report (continued):

If the measure is approved, funding would eliminate the Public Safety Local Option Property Tax Levy for approximately \$5.0 million/year, would eliminate the Jail Services Utility Fee and provide approximately \$1.4 million/year for continued Jail services, provide approximately \$1.4 million/year to reopen the Juvenile Justice Shelter/Detention building, and provide approximately \$0.25 million/year to supplement Criminal Prosecution services (estimated amounts for the first year of the sales tax program).

A professional tax consulting firm assisted staff and the Taskforce with a recommended sales tax rate calculation that would meet the City's revenue goals for Public Safety and Criminal Justice programs. Calculations were made largely based on sales information by industry the National American Industry Classification System from recent census reports and based on the City's recommended program and recommended exemption structure.

Based on the City's active business and occupational tax certificates and census data, the estimated percent of sales tax revenue generation and number of businesses reporting would be as follows according to the recommendation by the Taskforce:

Industry Classifications	Est. % of tax revenue (1.75% rate)	Est. # of businesses
Retail Trade	77%	560
Food Services	11%	196
Other Taxable Services	12%	1505
Tax Exempt Businesses	-	864

The following items/services are sales tax exempt: unprepared food, prescription medicine, purchase amount above \$1,000 in any single sale, business raw materials, goods shipped outside Grants Pass, services provided outside the City, medical services, and others. Business to business services are also exempt from the sales tax. To help cover reporting/collection costs, the recommended program would provide reporting businesses a 10% tax collection rebate for the first \$1,000 in tax collected during a quarter and a 2% rebate on all tax collections in a quarter above \$1,000. Most small businesses will see close to the 10% tax rebate while larger businesses will see an average rebate of less than 10% of taxes collected.

There are two resolutions attached to this background document:

- Resolution A is the recommended ballot title with a sales tax rate of 2.00% and excluding "Other Taxable Services" from the original recommendation of the Taskforce.
- Resolution B is the recommended ballot title with a sales tax rate of 1.75% and including all taxable services as recommended by the Taskforce.

Both of these alternatives are expected to generate the target revenues for Public Safety and Criminal Justice services.

COST IMPLICATION:

Property taxes for City property owners will be reduced, the City's Jail Services Utility Fee would be eliminated, and sales taxes paid would vary based on taxable purchases. Beginning in Fiscal Year 2017 (the period starting July 1, 2016) the City's local option

Staff Report (continued):

levy of \$1.79 per \$1,000 of assessed value will be eliminated. For a single family home in Grants Pass with an average taxable assessed value of \$155,050, if the measure is approved, the property taxes for the average City home would be reduced by approximately \$277 per year. The Jail Services Utility Fee elimination would save the average home approximately \$34 per year.

The tax rebate to businesses will help cover the cost of collections and reporting, and the City's estimated costs to manage the program are expected to be less than 3% of the revenues of the program. It will take between one and two City staff FTEs to manage the program.

ALTERNATIVES:

While the Council can amend the proposed ballot title as needed, there are two resolutions attached to this background document based on preferred alternatives discussed in the Council Workshop of July 27, 2015:

Resolution A is the recommended ballot title with a sales tax rate of 2.00% and excluding "Other Taxable Services" from the original recommendation of taxable sales items by the Taskforce.

Resolution B is the recommended ballot title with a sales tax rate of 1.75% and including all taxable goods and services as recommended by the Taskforce.

It is estimated that either of these alternatives would meet the revenue generation goals for Public Safety and Criminal Justice services.

RECOMMENDED ACTION:

It is recommended the Council adopt either Resolution A or Resolution B calling for a measure to be placed on the ballot for the general election on November 3, 2015 in the City of Grants Pass, Oregon, for the purpose of submitting to the voters of the City a proposed Public Safety and Criminal Justice Sales Tax that would also eliminate the Public Safety Local Option Property Tax Levy of \$1.79 and eliminate the City's Jail Services Utility Fee.

POTENTIAL MOTION:

I move to approve resolution [A or B] calling for a measure to be placed on the ballot on November 3, 2015 for a Criminal Justice Sales Tax.

RESOLUTION NO. [A]

A RESOLUTION OF THE COUNCIL OF THE CITY OF GRANTS PASS CALLING FOR A MEASURE TO BE PLACED ON THE NOVEMBER 3, 2015 BALLOT FOR A SALES TAX TO PROVIDE RESOURCES TO PUBLIC SAFETY AND CRIMINAL JUSTICE PROGRAMS SERVING THE CITY, WHILE ELIMINATING THE PUBLIC SAFETY LOCAL OPTION PROPERTY TAX LEVY AND THE JAIL SERVICES UTILITY FEE.

WHEREAS, City voters should decide whether a sales tax program should be adopted for the City to fund City Public Safety services and Criminal Justice programs that serve the City's Police Division and serve City residents and visitors.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Grants Pass that:

Section 1: A City election for the City of Grants Pass, Oregon, is hereby called to be held in the City of Grants Pass, Oregon, on November 3, 2015. The election shall be conducted by the Josephine County Clerk in conformance with Oregon Statutes.

Section 2: The purpose of the election is to submit to the legal voters of the City a measure authorizing the Council to implement a sales tax program beginning on July 1, 2016. The purpose of the sales tax program is to remove the current City Public Safety Local Option Levy of \$1.79 per \$1,000 of assessed value, remove the current City Jail Services Utility Fee, and replace these current taxes and fees with revenues coming from a sales tax structure. The sales tax program rates are also submitted to increase funding to criminal justice programs serving the City, specifically the Juvenile Justice program, the Adult Jail, and Criminal Prosecution Services in conjunction with the County's District Attorney Services.

Section 3: The ballot title, including caption, question, and summary for the Criminal Justice Sales Tax measure to be submitted to the legal voters which is marked as "Exhibit A" and is attached to and incorporated herein, is adopted by the Council and the same shall appear on the ballot for the election.

Section 4: The ballot title will be delivered to the City's Elections Officer on August 3, 2015.

Section 5: Notice of the election shall be given as is provided for by State law; and, except as otherwise provided, the Josephine County Clerk is hereby authorized to conduct the election in all respects including, but not limited to, the appointment of election boards the preparation, printing and furnishing of ballots, the establishment of polls and precincts, the establishment of polling hours and the determination of the methods of conducting such election in accord with applicable law.

ADOPTED by the Council of the City of Grants Pass, Oregon, in special session this 3rd day of August, 2015.

SUBMITTED to and _____ by the Mayor of the City of Grants Pass, Oregon, this _____ day of August, 2015.

Darin Fowler, Mayor

ATTEST:

Karen Frerk, City Recorder

Date submitted to Mayor: _____

Approved as to form, Mark Bartholomew, City Attorney _____

CAPTION: Sales Tax for City Public Safety and Criminal Justice Services.

QUESTION: Shall the City eliminate the \$1.79 Property Tax Levy, eliminate the Jail Utility Fee, and implement a 2.00% sales tax?

SUMMARY: This sales tax eliminates the local option property tax levy of \$1.79 per \$1,000 assessed value, eliminates the Jail Utility Fee, and implements a 2.00% sales tax on retail and food services starting July 1, 2016. This measure provides revenues to maintain Police and Fire Rescue services, reopens the Juvenile Justice Shelter/Detention building, increases criminal prosecution services, and allows the City to provide at least 30 adult jail beds. Revenues from the sales tax are restricted for use in Public Safety and Criminal Justice services.

The following items are sales tax exempt: unprepared food, prescription medicine, purchase amount above \$1,000 in any single sale, business wholesale purchases, goods shipped outside Grants Pass, fuel, alcohol, and others. Provides reporting businesses a tax collection rebate to help cover reporting costs.

The sales tax rate cannot be increased without another vote of the people. Property taxes for the average City home would be reduced by approximately \$277 per year, the Jail Utility Fee would be eliminated, and sales taxes would vary based on taxable purchases.

RESOLUTION NO. [B]

A RESOLUTION OF THE COUNCIL OF THE CITY OF GRANTS PASS CALLING FOR A MEASURE TO BE PLACED ON THE NOVEMBER 3, 2015 BALLOT FOR A SALES TAX TO PROVIDE RESOURCES TO PUBLIC SAFETY AND CRIMINAL JUSTICE PROGRAMS SERVING THE CITY, WHILE ELIMINATING THE PUBLIC SAFETY LOCAL OPTION PROPERTY TAX LEVY AND THE JAIL SERVICES UTILITY FEE.

WHEREAS, City voters should decide whether a sales tax program should be adopted for the City to fund City Public Safety services and Criminal Justice programs that serve the City's Police Division and serve City residents and visitors.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Grants Pass that:

Section 1: A City election for the City of Grants Pass, Oregon, is hereby called to be held in the City of Grants Pass, Oregon, on November 3, 2015. The election shall be conducted by the Josephine County Clerk in conformance with Oregon Statutes.

Section 2: The purpose of the election is to submit to the legal voters of the City a measure authorizing the Council to implement a general sales tax program beginning on July 1, 2016. The purpose of the sales tax program is to remove the current City Public Safety Local Option Levy of \$1.79 per \$1,000 of assessed value, remove the current City Jail Services Utility Fee, and replace these current taxes and fees with revenues coming from a general sales tax structure. The sales tax program rates are also submitted to increase funding to criminal justice programs serving the City, specifically the Juvenile Justice program, the Adult Jail, and Criminal Prosecution Services in conjunction with the County's District Attorney Services.

Section 3: The ballot title, including caption, question, and summary for the Criminal Justice General Sales Tax measure to be submitted to the legal voters which is marked as "Exhibit A" and is attached to and incorporated herein, is adopted by the Council and the same shall appear on the ballot for the election.

Section 4: The ballot title will be delivered to the City's Elections Officer on August 3, 2015.

Section 5: Notice of the election shall be given as is provided for by State law; and, except as otherwise provided, the Josephine County Clerk is hereby authorized to conduct the election in all respects including, but not limited to, the appointment of election boards the preparation, printing and furnishing of ballots, the establishment of polls and precincts, the establishment of polling hours and the determination of the methods of conducting such election in accord with applicable law.

ADOPTED by the Council of the City of Grants Pass, Oregon, in special session this 3rd day of August, 2015.

SUBMITTED to and _____ by the Mayor of the City of Grants Pass, Oregon, this _____ day of August, 2015.

Darin Fowler, Mayor

ATTEST:

Karen Frerk, City Recorder

Date submitted to Mayor: _____

Approved as to form, Mark Bartholomew, City Attorney _____

CAPTION: Sales Tax for City Public Safety and Criminal Justice Services.

QUESTION: Shall the City eliminate the \$1.79 Property Tax Levy, eliminate the Jail Utility Fee, and implement a 1.75% sales tax?

SUMMARY: This sales tax eliminates the local option property tax levy of \$1.79 per \$1,000 assessed value, eliminates the Jail Utility Fee, implements a 1.75% sales tax on retail and services starting July 1, 2016. This measure provides revenues to maintain Police and Fire Rescue services, reopens the Juvenile Justice Shelter/Detention building, increases criminal prosecution services, allows the City to provide at least 30 adult jail beds. Revenues from the sales tax are restricted for Public Safety and Criminal Justice services.

The following items/services are sales tax exempt: unprepared food, prescription medicine, purchase amount above \$1,000 in any single sale, business raw materials, goods shipped outside Grants Pass, services provided outside the City, medical services, and others. Provides reporting businesses a tax collection rebate to help cover reporting costs.

The sales tax rate cannot be increased without another vote of the people. Property taxes for the average City home would be reduced by approximately \$277 per year, the Jail Utility Fee would be eliminated, and sales taxes would vary based on taxable purchases.

Resolution authorizing submission of the
explanatory statement for the Public Safety
and Criminal Justice Sales Tax Ballot Measure
Item: (November 3, 2015 Election).

August 3, 2015

SUBJECT AND SUMMARY:

This resolution will adopt the explanatory statement for the ballot measure.

RELATIONSHIP TO COUNCIL GOALS:

This supports Council's goal of **LEADERSHIP** by providing current resources to Public Safety and Criminal Justice services that serve the City and its visitors. It also supports **KEEP CITIZENS SAFE** by providing the resources to address the Council's goal of a safe community.

CALL TO ACTION SCHEDULE:

- August 3, 2015: Special Meeting for the City Council to approve the ballot title and explanatory statement
 - Measure turned over to the County Clerk by August 14
 - November 3, 2015 Ballot Measure
-

BACKGROUND:

The City Council has expressed a desire to place a criminal justice sales tax measure on the November 3, 2015 ballot. State law requires that if the County prints a voters' pamphlet, the City Elections Official shall submit an impartial, simple and understandable statement explaining the measure and its effect (ORS 251.345).

Oregon administrative rules limit explanatory statements to 500 words and require the County Clerk to reject any referred measure that is submitted without an explanatory statement (OAR 165.022.0040).

The proposed language has been reviewed by the City Attorney and has been determined to meet the legal requirements. Approval of an explanatory statement is required if the measure is to make it to the ballot.

Following a series of public meetings by the Criminal Justice Sales Tax Taskforce and the City Council, this measure and explanatory statement has been prepared according to the input of the Council and Taskforce for the election of November 3, 2015. If approved by voters, this sales tax measure would eliminate the Local Option Property Tax Levy of \$1.79 per \$1,000 assessed value, eliminate the Jail Services Utility Fee, and implement a 2.00% (or 1.75%) sales tax beginning July 1, 2016. Once approved by voters, the sales tax rate cannot be increased without another vote of the City electorate.

ITEM: 1.b. RESOLUTION AUTHORIZING SUBMISSION OF THE EXPLANATORY STATEMENT FOR THE PUBLIC SAFETY AND CRIMINAL JUSTICE SALES TAX BALLOT MEASURE (NOVEMBER 3, 2015 ELECTION).

Staff Report (continued):

If the measure is approved, funding would eliminate the Public Safety Local Option Property Tax Levy for approximately \$5.0 million/year, would eliminate the Jail Services Utility Fee and provide approximately \$1.4 million/year for continued Jail services, provide approximately \$1.4 million/year to reopen the Juvenile Justice Shelter/Detention building, and provide approximately \$0.25 million/year to supplement Criminal Prosecution services (estimated amounts for the first year of the sales tax program). Revenues from the sales tax are restricted for use in City Public Safety services, Juvenile Justice services, Criminal Prosecution services, and Jail services.

A professional tax consulting firm assisted staff and the Taskforce with a recommended sales tax rate calculation that would meet the City's revenue goals for Public Safety and Criminal Justice programs. Calculations were made largely based on sales information by industry National American Industry Classification System from recent census reports and based on the City's recommended program and recommended exemption structure.

Based on the City's active business and occupational tax certificates and census data, the estimated percent of sales tax revenue generation and number of businesses reporting would be as follows according to the recommendation by the Taskforce:

Industry Classifications	Est. % of tax revenue (1.75% rate)	Est. # of businesses
Retail Trade	77%	560
Food Services	11%	196
Other Taxable Services	12%	1505
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The following items/services are sales tax exempt: unprepared food, prescription medicine, purchase amount above \$1,000 in any single sale, business raw materials, goods shipped outside Grants Pass, services provided outside the City, medical services, and others. Business to business services are also exempt from the sales tax. To help cover reporting/collection costs, the recommended program would provide reporting businesses a 10% tax collection rebate for the first \$1,000 in tax collected during a quarter and a 2% rebate on all tax collections in a quarter above \$1,000. Most small businesses will see close to the 10% tax rebate while larger businesses will see an average rebate of less than 10% of taxes collected.

There are two resolutions attached to this background document:

- Resolution A is the recommended explanatory statement with a sales tax rate of 2.00% and excluding "Other Taxable Services" from the original recommendation of the Taskforce.
- Resolution B is the recommended explanatory statement with a sales tax rate of 1.75% and including all taxable services as recommended by the Taskforce.

Both of these alternatives are expected to generate the target revenues for Public Safety and Criminal Justice services.

Staff report (continued):

COST IMPLICATION:

Property taxes for City property owners will be reduced, the City's Jail Services Utility Fee would be eliminated, and sales taxes paid would vary based on taxable purchases. Beginning in Fiscal Year 2017 (the period starting July 1, 2016) the City's local option levy of \$1.79 per \$1,000 of assessed value will be eliminated. For a single family home in Grants Pass with an average taxable assessed value of \$155,050, if the measure is approved, the property taxes for the average City home would be reduced by approximately \$277 per year. The Jail Services Utility Fee elimination would save the average home approximately \$34 per year.

The tax rebate to businesses will help cover the cost of collections and reporting, and the City's estimated costs to manage the program are expected to be less than 3% of the revenues of the program. It will take between one and two City staff FTEs to manage the program.

ALTERNATIVES:

In order to follow State law the explanatory statement is required. Different language may be used so long as it meets the requirements of being an "impartial, simple and understandable" explanatory statement.

There are two resolutions attached to this background document based on preferred alternatives discussed in the Council Workshop of July 27, 2015:

Resolution A is the recommended explanatory statement with a sales tax rate of 2.00% and excluding "Other Taxable Services" from the original recommendation of taxable sales items by the Taskforce.

Resolution B is the recommended explanatory statement with a sales tax rate of 1.75% and including all taxable goods and services as recommended by the Taskforce.

It is estimated that either of these alternatives would meet the revenue generation goals for Public Safety and Criminal Justice services.

RECOMMENDED ACTION:

It is recommended the Council adopt either Resolution A or Resolution B providing for an explanatory statement for the measure that is to be placed on the ballot for the general election on November 3, 2015 in the City of Grants Pass, Oregon, for the proposed Public Safety and Criminal Justice Sales Tax that would also eliminate the Public Safety Local Option Property Tax Levy of \$1.79 and eliminate the City's Jail Services Utility Fee.

POTENTIAL MOTION:

I move to approve resolution [A or B] and submit it to the Josephine County Clerk to be included in the county prepared voters' pamphlet.

RESOLUTION NO. [A]

A RESOLUTION OF THE COUNCIL OF THE CITY OF GRANTS PASS AUTHORIZING SUBMISSION OF THE EXPLANATORY STATEMENT FOR THE CRIMINAL JUSTICE SALES TAX - BALLOT MEASURE (NOVEMBER 3, 2015 ELECTION).

WHEREAS:

1. City voters should decide whether a sales tax program should be adopted for the City to fund City Public Safety services and Criminal Justice programs that serve the City's Police Division and serve City residents and visitors; and
2. The City Council desires that a measure to be placed on the ballot for the general election on November 3, 2015 in the City of Grants Pass, Oregon, for the purpose of submitting to the voters of the City a measure authorizing the Council to implement a sales tax program beginning on July 1, 2016. The purpose of the sales tax program is to remove the current City Public Safety Local Option Levy of \$1.79 per \$1,000 of assessed value, remove the current City Jail Services Utility Fee, and replace these current taxes and fees with revenues coming from a sales tax structure. The sales tax program rates are also submitted to increase funding to criminal justice programs serving the City, specifically the Juvenile Justice program, the Adult Jail, and Criminal Prosecution Services in conjunction with the County's District Attorney services; and
3. ORS 251.345 requires that a governing body for any electoral district that has referred a measure to the voters shall submit an impartial, simple and understandable statement explaining the measure and its effect.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Grants Pass that:

Section 1: The following text shall be submitted to the Josephine County Clerk to be included in the county prepared voters' pamphlet:

SALES TAX FOR CITY PUBLIC SAFETY AND CRIMINAL JUSTICE SERVICES - EXPLANATORY STATEMENT:

**ELIMINATION OF LOCAL OPTION PROPERTY TAX LEVY,
ELIMINATION OF JAIL SERVICE UTILITY FEES, AND REPLACE WITH
SALES TAX.** This sales tax eliminates the City Local Option Property Tax Levy of \$1.79 per \$1,000 assessed value, eliminates the Jail Services Utility Fee, and implements a 2.00% sales tax on retail and food services beginning July 1, 2016. Revenues from the sales tax are restricted for City Public Safety services, Juvenile Justice services, Criminal Prosecution services, and Jail services.

**WOULD MAINTAIN CURRENT POLICE AND FIRE SERVICES AND
INCREASE CRIMINAL JUSTICE SERVICES.** This measure would eliminate the Public Safety Local Option Property Tax Levy and would maintain current City Public Safety services including police and fire/rescue emergency responses, 24 hours a day, 365 days a year, 911 and dispatch services, traffic enforcement, gang prevention, major crimes investigations, neighborhood patrols, crime/fire prevention, school programs, drug enforcement, K-9 program, community policing, citizen

public safety academy, vehicle crash and emergency medical response. The measure would also allow the City to provide jail services with at least 30 adult jail beds, increase criminal prosecution services, and reopen the Juvenile Justice shelter/detention facility.

SALES TAX EXEMPTIONS AND BUSINESS REBATES. The following items are sales tax exempt: unprepared food, prescription medicine, purchase amount above \$1,000 in any single sale, goods shipped outside Grants Pass, fuel, alcohol, and many others exemptions are included. Provides all reporting businesses a tiered tax rebate of between 2% and 10% to help cover reporting costs. The small businesses tax rebate will be equal to or closer to a 10% rebate.

FUNDING FOR CITY PUBLIC SAFETY AND CRIMINAL JUSTICE SERVICES. If the measure is approved, funding would eliminate the Public Safety Local Option Property Tax Levy for approximately \$5.0 million/year, would eliminate the Jail Services Utility Fee and provide approximately \$1.4 million/year for continued Jail services, provide approximately \$1.4 million/year to reopen the Juvenile Justice Shelter/Detention building, and provide approximately \$0.25 million/year to supplement Criminal Prosecution services (first year program revenue estimates). Revenues from the sales tax are restricted for use in City Police services, City Fire Rescue services, Juvenile Justice services, Criminal Prosecution services, and Jail services.

TAX IMPACTS. Property taxes for City property owners will be reduced, the City's Jail Services Utility Fee would be eliminated, and sales taxes paid would vary based on taxable purchases. Beginning in Fiscal Year 2017 (the period starting July 1, 2016) the City's local option levy of \$1.79 per \$1,000 of assessed value will be eliminated. For a single family home in Grants Pass with an average taxable assessed value of \$155,050, if the measure is approved, the property taxes for the average City home would be reduced by approximately \$277 per year. The Jail Services Utility Fee elimination would save the average home approximately \$34 per year. The sales tax rate cannot be increased without another vote of the City electorate.

EFFECTIVE DATE of this Resolution shall be immediate upon the passage by the City Council and approval by the Mayor.

ADOPTED by the Council of the City of Grants Pass, Oregon, in special session this 3rd day of August, 2015.

SUBMITTED to and _____ by the Mayor of the City of Grants Pass, Oregon, this _____ day of August, 2015.

Darin Fowler, Mayor

ATTEST:

Karen Frerk, City Recorder

Date submitted to Mayor: _____

Approved as to form, Mark Bartholomew, City Attorney _____

RESOLUTION NO. [B]

A RESOLUTION OF THE COUNCIL OF THE CITY OF GRANTS PASS AUTHORIZING SUBMISSION OF THE EXPLANATORY STATEMENT FOR THE CRIMINAL JUSTICE SALES TAX - BALLOT MEASURE (NOVEMBER 3, 2015 ELECTION).

WHEREAS:

1. City voters should decide whether a sales tax program should be adopted for the City to fund City Public Safety services and Criminal Justice programs that serve the City's Police Division and serve City residents and visitors; and
2. The City Council desires that a measure to be placed on the ballot for the general election on November 3, 2015 in the City of Grants Pass, Oregon, for the purpose of submitting to the voters of the City a measure authorizing the Council to implement a sales tax program beginning on July 1, 2016. The purpose of the sales tax program is to remove the current City Public Safety Local Option Levy of \$1.79 per \$1,000 of assessed value, remove the current City Jail Services Utility Fee, and replace these current taxes and fees with revenues coming from a sales tax structure. The sales tax program rates are also submitted to increase funding to criminal justice programs serving the City, specifically the Juvenile Justice program, the Adult Jail, and Criminal Prosecution Services in conjunction with the County's District Attorney services; and
3. ORS 251.345 requires that a governing body for any electoral district that has referred a measure to the voters shall submit an impartial, simple and understandable statement explaining the measure and its effect.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Grants Pass that:

Section 1: The following text shall be submitted to the Josephine County Clerk to be included in the county prepared voters' pamphlet:

SALES TAX FOR CITY PUBLIC SAFETY AND CRIMINAL JUSTICE SERVICES - EXPLANATORY STATEMENT:

**ELIMINATION OF LOCAL OPTION PROPERTY TAX LEVY,
ELIMINATION OF JAIL SERVICE UTILITY FEES, AND REPLACE WITH
SALES TAX.** This sales tax eliminates the City Local Option Property Tax Levy of \$1.79 per \$1,000 assessed value, eliminates the Jail Services Utility Fee, and implements a 1.75% sales tax on retail and services beginning July 1, 2016. Revenues from the sales tax are restricted for City Public Safety services, Juvenile Justice services, Criminal Prosecution services, and Jail services.

**WOULD MAINTAIN CURRENT POLICE AND FIRE SERVICES AND
INCREASE CRIMINAL JUSTICE SERVICES.** This measure would eliminate the Public Safety Local Option Property Tax Levy and would maintain current City Public Safety services including police and fire/rescue emergency responses, 24 hours a day, 365 days a year, 911 and dispatch services, traffic enforcement, gang prevention, major crimes investigations, neighborhood patrols, crime/fire prevention, school programs, drug enforcement, K-9 program, community policing, citizen

public safety academy, vehicle crash and emergency medical response. The measure would also allow the City to provide jail services with at least 30 adult jail beds, increase criminal prosecution services, and reopen the Juvenile Justice shelter/detention facility.

SALES TAX EXEMPTIONS AND BUSINESS REBATES. The following items/services are sales tax exempt: unprepared food, prescription medicine, purchase amount above \$1,000 in any single sale, business raw materials, goods shipped outside Grants Pass, services provided outside the City, medical services, fuel, alcohol, and many others exemptions are included. Business to business services are also exempt from the sales tax. Provides all reporting businesses a tiered tax rebate of between 2% and 10% to help cover reporting costs. The small businesses tax rebate will be equal to or closer to 10%.

FUNDING FOR CITY PUBLIC SAFETY AND CRIMINAL JUSTICE SERVICES. If the measure is approved, funding would eliminate the Public Safety Local Option Property Tax Levy for approximately \$5.0 million/year, would eliminate the jail services utility fee and provide approximately \$1.4 million/year for continued jail services, provide approximately \$1.4 million/year to reopen the Juvenile Justice shelter/detention building, and provide approximately \$0.25 million/year to supplement criminal prosecution services (first year program revenue estimates).

TAX IMPACTS. Property taxes for City property owners will be reduced, the City's Jail Services Utility Fee would be eliminated, and sales taxes paid would vary based on taxable purchases. Beginning in Fiscal Year 2017 (the period starting July 1, 2016) the City's local option levy of \$1.79 per \$1,000 of assessed value will be eliminated. For a single family home in Grants Pass with an average taxable assessed value of \$155,050, if the measure is approved, the property taxes for the average City home would be reduced by approximately \$277 per year. The Jail Services Utility Fee elimination would save the average home approximately \$34 per year. The sales tax rate cannot be increased without another vote of the City electorate.

EFFECTIVE DATE of this Resolution shall be immediate upon the passage by the City Council and approval by the Mayor.

ADOPTED by the Council of the City of Grants Pass, Oregon, in special session this 3rd day of August, 2015.

SUBMITTED to and _____ by the Mayor of the City of Grants Pass, Oregon, this _____ day of August, 2015.

Darin Fowler, Mayor

ATTEST:

Karen Frerk, City Recorder

Date submitted to Mayor: _____

Approved as to form, Mark Bartholomew, City Attorney _____